

# House File 586 - Introduced

HOUSE FILE 586  
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 153)

## A BILL FOR

1 An Act relating to financial matters, including mechanic's  
2 liens, and the Iowa finance authority by establishing a rent  
3 subsidy program, modifying shelter assistance fund grant  
4 award requirements, and revising filing requirements for  
5 certain bonds and notes issued by the authority.  
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 16.26, subsection 7, Code 2017, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 7. A pledge made in respect of bonds or notes shall be  
5 valid and binding from the time the pledge is made. The moneys  
6 or property so pledged and received after the pledge by the  
7 authority shall immediately be subject to the lien of the  
8 pledge without physical delivery or further act. The lien of  
9 the pledge shall be valid and binding as against all parties  
10 having claims of any kind in tort, contract, or otherwise  
11 against the authority whether or not the parties have notice  
12 of the lien. Neither the resolution, trust agreement, nor  
13 any other instrument by which a pledge is created needs to  
14 be recorded or filed under the Iowa uniform commercial code,  
15 chapter 554, to be valid, binding, or effective against the  
16 parties.

17 Sec. 2. Section 16.41, subsection 2, Code 2017, is amended  
18 to read as follows:

19 2. The authority shall award grants ~~annually~~ to qualified  
20 applicants on a competitive basis. The authority shall  
21 establish application procedures, requirements, priorities, and  
22 maximum and minimum grant award amounts for each ~~annual~~ grant  
23 competition.

24 Sec. 3. NEW SECTION. 16.55 **Home and community-based**  
25 **services rent subsidy program.**

26 The authority shall establish and administer a home and  
27 community-based services rent subsidy program. Under the  
28 program, the authority shall provide rent subsidies to  
29 those persons who are approved participants under a home  
30 and community-based services Medicaid waiver, and to those  
31 individuals who are approved participants in the federal  
32 money follows the person grant program under the medical  
33 assistance program. If the authority utilizes a waiting list  
34 for purposes of the program, the authority shall give priority  
35 to a person participating in the state's money follows the

1 person partnership for community integration project who has  
2 been assigned to work with a transition specialist.

3 Sec. 4. Section 572.13A, subsection 1, unnumbered paragraph  
4 1, Code 2017, is amended to read as follows:

5 A Either a general contractor, or an owner-builder who has  
6 contracted or will contract with a subcontractor to provide  
7 labor or furnish material for the property, shall post a  
8 notice of commencement of work to the mechanics' notice and  
9 lien registry internet site no later than ten days after the  
10 commencement of work on the property. A notice of commencement  
11 of work is effective only as to any labor, service, equipment,  
12 or material furnished to the property subsequent to the  
13 posting of the notice of commencement of work. A notice  
14 of commencement of work shall include all of the following  
15 information:

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill concerns the Iowa finance authority and mechanic's  
20 liens.

21 Code section 16.26, concerning bonds and notes issued by  
22 the Iowa finance authority, is amended. The bill strikes the  
23 requirement that a copy of each pledge agreement relating to  
24 bonds and notes shall be filed with the secretary of state to  
25 be valid and effective. The bill provides that a pledge made  
26 in respect of bonds or notes shall be valid and binding from  
27 the time the pledge is made, and that the resolution, trust  
28 agreement, or any other instrument by which a pledge is created  
29 does not need to be recorded or filed to be valid, binding, or  
30 effective against the parties.

31 Code section 16.41, concerning the shelter assistance fund,  
32 is amended to eliminate the requirement that the authority  
33 award grants from the fund annually.

34 New Code section 16.55 requires the Iowa finance authority  
35 to establish and administer a home and community-based services

1 rent subsidy program. The program is to provide rent subsidies  
2 to persons who are approved participants under a home and  
3 community-based services Medicaid waiver and to individuals  
4 who are approved participants in the federal money follows the  
5 person grant program under the medical assistance program.

6 Code section 572.13A, concerning posting a notice of  
7 commencement of work to the mechanics' notice and lien  
8 registry internet site, is amended. The bill provides that the  
9 statutory provision that limits who has to post this notice to  
10 one who has contracted or will contract with a subcontractor to  
11 provide labor or furnish material for the property applies to  
12 an owner-builder but not to a general contractor.